GENERAL AND REVENUE SECRETARIAT

1909-10
(Municipal)

File No. 80-09

Serial Nos. 1 to 8, 11 & 12

Papers Filed.

Month January 1910

SUBJECT

Audit of accounts and defalcation of Municipal revenue in the Bangalore City Municipality.

PREVIOUS REFERENCES

Rel 103-08 Sls 23 & 24
" 418-08 Sls 1-2
" " — 3-4

LATER REFERENCES

Rel 80-09 [redacted] 2, 4 3, 4 9

G.R.S 11] 1909-10

GENERAL AND REVENUE SECRETARIAT

(Municipal)

NOTES

File No 80-09

FILE HEADING

Audit of accounts and defalcation of Municipal revenue in the Bangalore City Municipality

From

The Comptroller

No 1225/R62. Dated 30-8-09 Received 3/ 8 09

Diary No 1555 Enclo Spare Copies Serial No 1

BRIEF ABSTRACT OF LETTER

Submits a preliminary report of the accounts of the Bangalore City Municipality and brings to notice serious and defalcations in the Cess Department also suggests means for putting them right

NOTES AND ORDERS

As yet an examination of only some of the Registers in the Cess Department has been made. The irregularities already brought to light are extraordinary and serious. Points (2) to (12) enumerated in para 2 of the Compt's letter set forth the various omissions and irregularities

sheet

GPB—50 000—3 1 07

Serial No

that have, so far, been found out. These could have been prevented by efficient supervision and systematic examination of the accounts on the part of the officer responsible for cess collection work.

2. It is understood that the sanitary cess is being collected by the officials of the Sanitary Dept working under the Health Officer. It might have been desirable to entrust the collection of the cess to the Sanitary Officials at the time when the cess was not due. Now that it has become regularly due leviable under the Municipal Regn. of 1906 (Sec 59 (6), (viii)), the question of entrusting its collection to the Municipal Authorities along with the collection of other taxes which they have been doing, deserves consideration. This step will not only put an end to the present duplication of labour but will also lead to more systematic keeping of the accounts.

3. In para 2 (g) of his letter the Comptr observes that the Office and the Collectors Demand Registers are not maintained in good order. These Demand Registers will have to be prepared on the basis of the Survey or Assessment Register. It seems desirable to have fresh demand Registers completed as this would afford

GPB—55,000—27-4-09

Serial No

for finding whether correct demands have been made and whether the receipts granted to house-owners do not show larger amounts than those specified in the counterfoils left in the Bill-books.

4. It is submitted that the confusion in the case described has been noticed by the Municipal Commissioner who audited the accounts for March 1907 & April 1907. In the former case, Messrs. D. Thakamaji and B. Appaya observed:-

Forms 1 & 2

"* * * Under the head "Scavenging Cess" a sum of Rs 4,872-6-0 has been shown as arrears &c.... None of these items should, in the nature of things, fall into arrears. These require explanation and prompt attention."

5. A point was noticed by Govt. in the monthly proceedings of the Municipal Council for April 1907 and a detailed report was called for. In this report the Pres. stated that the amount consisted of irrecoverable arrears which had to be written off the accounts. Govt. however directed in their office No 5257/Rev/Mis-65-28, 5-12-07 that every endeavour should be made to recover all the arrears, that in cases in which remissions

1

re—Contin. sheet.

Serial No

were necessary, full information should be submitted as to the action taken, the name of the officer responsible for the timely collection of the amounts and that in cases in which the amounts were really irrecoverable, remission should be sent up as to whether was the real reason for encumbering the accounts with them. No reply has yet been received in this subject from the President though reminders were being regularly issued. The file connected with this subject is lost.

vide 1124-6

In the case of the case Mr. B. K. Gowsdal, who audited the accounts for 1906 observed:

"As the Pres^{t} has undertaken to look into personally, I have not seen the accounts this time."

It is not known what action the President took on these observations. But they are sufficient to show that the case collection work was not being satisfactorily done and that the Municipal Councillors were not aware of it.

6. What the successive municipal auditors and Councillors have to say on this point, and whether they were not given full facilities for checking this [illegible] Municipal accounts, and the explanation

Contin sheet

F. S. 12]
General and Revenue Secretariat.

File No. 80 of 1909

Serial No

and officials concerned in the matter have to be called for and obtained for fixing the responsibility or responsibility of those who have brought about the present state of affairs.

7. Three clear cases of defalcation by Shanmuganatha Pillai Singh and the Cash Clerk have been reported upon in paras (3), (4) & (5), and the Comptr suggests that these persons be prosecuted. Immediate arrest of these 3 persons and especially the last, who is said to have admitted having defalcated Rs 237-8-0, will have to be ordered with instructions to have their property, if any, secured

8. In para 20 the Comptr insists on adequate security being taken from all officials who have anything to do with collection or handling of cash. The same point was also urged in para 26 of the Shanmuganatha report on the audit of the accounts of the Bangalore City Municipality. So it is not known who are all the officials put on collection work and what amount of cash passes through the hands of every one of them, it is difficult to fix the amount of security to be offered by each of them. This information will therefore have to be called for from the President under the

GPS—55,000—27-4-09

Serial No

be considered desirable to fix a uniform amount in each case.

9. The Auditor states that a test audit will not meet the requirements of the present case and that a thorough and searching examination of the accounts from at least 1905-06 onwards is absolutely necessary for this. He therefore requests that a staff of 2 hands one U.D.C. and another on Rs 30 for a period of 6 months may be sanctioned for the present, the cost being debited to the funds of the Municipality. In this connection it is respectfully submitted that the accounts of the Municipality have been audited by Mr. Richmond up to the end of June 1902 and that a detailed audit of the accounts of subsequent years may now be ordered to be taken up by the Special Staff that will now be sanctioned.

10. The Auditor suggests the desirability of appointing an officer of the Accounts Dept. as Vice President for a term of 2 or 3 years and states that owing to the paucity of officers at his disposal, he can would be able to spare one only if a suitable Assistant Commr. is attached to his office. If the former is ordered the latter question will have to be considered.

Note.—Contn sheet.

R. S. 12]
neral and Revenue Secretariat.

Ind File No. 80 of 1909

Serial No.

In the General or Revenue Branches.

16. Points for orders:—

(1) Whether Mr Ramunnatha, Thripal Singh and the Cr. Clerk should not be prosecuted? If this is ordered instructions should also be issued to carefully preserve the present registers and account books so that they may not be within the reach of the present establishment.

(2) Whether any and what security should be demanded from the officials entrusted with collection work?

(3) Whether the collection of the Sayer cess should not also be entrusted to the ordinary Shanbhogs.?

(4) Whether a detailed audit of the accounts should not be undertaken and the establishment asked for sanctioned?

(5) Whether a whole time Gazetted Account Officer should be deputed for some time to draw up and start the new system or whether an Account Officer should be appointed as Vice-President of the Municipality at least for 1 or 2 yrs.

2—Contn. sheet.

GPS—55,000—27-4-09

G R S. 12]
General and Revenue Secretariat.

Ind File No. 80 of 1909

Serial No.

Submitted for orders.

Hon. [illegible]

[illegible] by the Comptroller be forwarded to the President for [illegible] necessary action [illegible] report a [illegible]

(2) A [illegible] and searching examination [illegible] municipal Accounts [illegible] 1902-03, the date after the last [illegible] by the Inspector, remainder, [illegible] be ordered with a view [illegible] as far as possible with [illegible] of municipal [illegible] has been actually [illegible] printed since then and who [illegible] are responsible for the [illegible] at once.

(3) [illegible] by the Accountant, [illegible] one auditor [illegible] for a period of [illegible] months, to audit the [illegible], may be sanctioned, [illegible] out of municipal funds.

Please put up draft.

6-9-09.

Draft

OTS—Contin. sheet.

GPB—55,000—27-4-09

G R S. 12]
meral and Revenue Secretariat.

Ml File No. 80 of 1909.

9

Serial No

Draft submitted

15/7/09 16.7.09

Draft approved. Issue either place before the Dewan for his sanction

7/9/09

O.T.O.

ors—Contn. sheet.

G.S.B.—11,000—27-4-09

G. R. S. 12]
General and Revenue Secretariat.

M File No. 80 of 1909

Serial No.

Dr IV
Submit D 1207
letter on consti-
tution.
Dell
7-9-09

GOVERNMENT OF MYSORE

T
Mr Clifton
7/9

16 The Bangalore
7th Aug 09.

My dear Mr Chamier,

The bearer is my acctt
who is now testifying the
irregularity in municipal accounts.

We believe there are some further
defalcations than those already
referred. Mr Jacob tells us in
confirming these small things of course.
Mr Narasimhaiya tells us that the
Contracts are also being confirmed.

Mr Chamier has some letters on
reference. Pray like that orders

17. Communicate Dr's formal letter (D No. 1585)
on the defalcations in the Bangalore city
Municipality and submit with a
draft to the Dy Commissioner on 6th Sept 1909.
Submitted to the Dy Commissioner in con-
firmation.

18 The above file referred
to above has come

7/9/09 7/9

Note.—Contin. sheet.

GPB—55,000—27-4-08

G. R. (S. R.) 12]
Finance and Revenue
Secretariat

707 (11

Jud File No. 80 of 1909 7/6

Serial No

back with the draft approved.

19. Mr Lakshminarasimha Rao B.O is submitted for information

20 (Spr) 7 9 09

21 Seen WPH
9/9/09
file
9-9-09

2. G.O dt. 2332-3 dated the 9th Sept 1909.

22 Forwards Copy of the Comptroller's letter to the President, Bangalore City Munl. Council, for taking immediate necessary action as regards Comptroller's suggestions contained in the last para thereof (re to take security from the employees entrusted with the Collection of Cash and the process as to persons responsible for the 3 peon embezzlements referred to accordingly here), and sanctions from Munl. for an establishment consisting of two head clerks on Rs 50/- and three others on Rs 30/- each for a period of six months to enable Comptroller

sheet

BPG—55 000—

12]
and Revenue
Secretariat

File No 80 of 1909

Serial No

detailed

Bangalore City Municipal
from the year 1902 [illegible]

[illegible]
for information as directed by [illegible]

[illegible]/1909 24 Submitted
25 Dewan 10.9.09
2439/10/9/09

26(1) Is not the sanction of the Municipal Council necessary for this charge?

(2) Where & when are such extra charges to a Head of the departments noticed in the last Annual report belong to the period of the tenure of office of the present Executive? I wish to know what explanation the President Vice-President have to give

I wish to have this file back on the 18th instant

[illegible]
Dewan

18/9
14/9
sheet

[illegible]
13.9

GPB—55 000—27 5.09

R S. 12]
General and Revenue Secretariat

NL File No. 80 of 190 9

(13

Serial No

27 With reference to the Dewan's query in 26 above, it is respectfully submitted that sanction of the Municipal Council is not necessary for incurring charges for auditing accounts and Govt. may direct the incurring of such charges by the Municipal Council.
(Vide Sec 170 of the Municipal Regns).

28 Draft calling for the explanations of the President and the Vice-President in the matter, is submitted.

Abbr 29/181 (Rev) 15 9 09 Asst
15/9/09 NL

293
15 9 09

30 Draft approved -
a detailed examination & audit subsequent to Mr Kiernander's audit appears quite necessary in view of the defalcations that have been brought to light -

Abbr NL
15/9/09

31 Issued & submit to the Pt.
16 9 09 Asst

3 To the Pres^t, Bangalore City Municipal Council. No 2
32 16-9 09 States that most of the defects noticed in the last audit belong to the period of the tenure of office of the present executive and requests them to sub-

tn sheet

GPB—55000—7 4.09

12]
and Revenue
Secretariat

File No. 80 of 1909

C14

Serial
No

Press Statement

33. Draft issued and file submitted with [illegible]
to the Dewan's order dated 11 9 09 (Page 12)

Obsn
16/9/09 [illegible]

Am 543/16/9/09 [illegible]

[illegible]

[illegible]

Note—Contn sheet

GPB—30.000—12-5-08

G R S. 12]
General and Revenue Secretariat

Jul File No 80 of 1909

197 (15

Serial No

4. From the Dist. Bangalore City Municipal Council. No. 698, 29-9-09

34 Submits his explanation in the matter of the irregularities brought to light in the Test Audit Report of Mr T Lakshmi Narasimha Rao and states that the Health Officer's explanation on the subject would be submitted shortly.

35 Submitted

36 The file on this subject is before the Dewan to whom this may be submitted in continuation.

Obn 29/9/09 29/9 Dewan

Hero' 1st Cr) 29 9 09 MWS

38 The Dewan has perused the Deputy Commissioner's explanation, and directed that the papers may be submitted to the 1st Asst Commissioner -

4 10 09

39 Submitted

1st Cr) 6 10 09 MWS

40 The Health Officers seem to be primarily accountable for the irregularities in Cess Collection,

472 9 10 09

tn sheet

GPB—55,000—27 4-09

(16

S. R. S. 12]
General and Revenue Secretariat.

File No. 80 (1137) of 1909

Serial No

Please call for these explanations urgently.

9/10/09

4th Put up draft

9-10-09

42 Draft submitted

43 Issue

11. 10-09

6 To the President, Bangalore City Municipal Council.

4th No 3628 dated 16-10-09.

Requests him to submit the explanations of the various Health Officers concerned in the matter at a very early date.

RJO.

NOTE.—Contin. sheet.

GPB—55,000—27-4-09

I. R. S. 12]
General and Revenue Secretariat.

(16

Rl File No. 80 of 1909.

Serial No. 5.

From the Pres^t, Bangalore City Municipal Council. No 8389-10-09.

45. Submits the Health Officer's explanation in the matter called for in S^r No 3.

46. The explanations of the other Health Officers responsible for the irregularities have just been called for.

47. Submitted for orders.

The explanation of the Health Officer does not seem to be satisfactory.

Yo 4

S

The President has not reported what action he has taken in regard to the individual cases of misappropriation reported upon by the Comptroller in his letter dated 30th Aug 1909

Secy) 18 10 09 JWW

Information on the above point may be called for.

Rl 20.10.09

Yes. no reply has been received to this Office No 2332-3 of 9 Sept. inst.

95 / 22 10 09

JWW 20

Put up draft

22-10-09 JWW

NOTE—Contn. sheet

G. S. 12]
Canal and Revenue Secretariat.

File No. 80 of 1909 2558 18

Serial No.	
	Draft pubs
	Ltr. dy. Issue the draft cover
	D/fr. accordingly & place file in issue drawer
	for perusal 3.11.09 Wll

Note—Contn. sheet.

GPS—15,000—27.4.09

P.T.O.

G. R. S. 12]
General and Revenue Secretariat

File No 89 of 1909

Serial No 7

From the Dist Bangalore city Stamps
No 898 20-10-09

Stated with refee to Sl no 6 that the explanation of the Health Officer was omitted with his letter No 838 10-10-09

The explanations of the various Heal Officers who were primarily responsible for the irregularity, were called for in Sl No 6. But the explanation of the present Health officer alone has been received with Sl No 5. Orders are solicited as to whether the explanations of the Health Officers who preceded the present Health Officer, must be obtained The file connected with this matter 4/11 subject has been separately subm to G

The result was a best-audited of the accounts of only one month — The report on the detailed audit may, it seems, be awaited —

Please include this and the file to which it properly belongs

6 10-09

Notes—Contn sheet

G R S. 12]
General and Revenue Secretariat.

File No. 80 of 1909

Serial No.	
8	To the Pres^{dt}, Bangalore City Municipal Council. No 39968 8-11-09. Requests him to state what action has been taken in regard to the various cases of misappropriation reported upon by the Comptroller in S^{L} No 1.
11.	From the above Officer. dt 24 Nov 09. States that in the matter of embezzlement & of defalcation reported upon by the Compt^{r} & Sup^{t} of Police has been requested to arrange to prosecute criminally all the 3 persons mentioned in the Compt^{r}'s letter, that in the meanwhile they have been placed under suspension and that the amounts misappropriated by two of them viz Shanmantha and Gurpal Singh have been duly recovered from them. Submitted for orders.
Obn. 23/12	24/12 Criminal Breach of Trust by a public servant being a cognizable offence, the Sup^{t} of Police seems to have been requested to properly arrange to prosecute the offenders. The correspondence may be recorded and the Presidents requested to report from time to time the progress of the

Note—Contin. sheet.

BPG—55,000—27-4-09

Revenue

File No. 80 of 1909 4493

Serial No

cases - Please push up draft

27.12.09 Illegible

Draft as per orders in file

Submitted

30/12 1st Prd 3.1.10 Illegible

5-25-1.10

Approved

Illegible

4/1/10

Issue.

4.1.10

Illegible

5/1/10

12 To mc Proceed Name. city no 5-7908 101/110

Records mentioned report with the observation that the proposed increase should be reported to Govt from time to time

mm. sheet.

H.P.B.—21,000—27-4-09

that in future on the subject of this letter and letters below the given opposite, may be

No R 225
R 62

OFFICE OF THE COMPTROLLER MYSORE GOVERNMENT,
Dated Bangalore, the 30th August 1909

FROM

J S CHAKRAVARTI, ESQ, MA, FRAS, etc,
Comptroller to the Government
of His Highness the Maharaja of Mysore

To

K.S. Chandrasekhara Iyer Esq, B.A , B I.,

Secretary to the Government of Mysore,
General and Revenue *Departments*

80-09
Sl-1

SIR,

With reference to Government Order No. 7620-1 Fnc 164-08-4 dated the 9th February 09 requesting me to depute an Assistant to look into the Bangalore City Municipal Accounts and suggest means for putting them right, I have the honor to state that as I had no adequate establishment for the purpose of thoroughly auditing the accounts of the Municipality for some years past and as that was also contemplated by Government, I only arranged for the system of checks and check which is now in operation and submitted it with a view to suggesting means of putting the system on a sound footing.

2. Accordingly an examination of some of the Registers in the Cess Department of the Municipal Office was undertaken. I am sorry to have to report that the examination as far as it has gone unfortunately bears that no sort of system or supervision can be said to exist as regards collection and crediting of money in the Department referred to above. A brief statement of facts brought to light by a rough and preliminary examination is given below -

(1) The Bangalore City Municipality is divided,

From

J. S. CHAKRAVARTI, Esq.,
B.A., F.R.A.S., etc.,
Comptroller to the Govt.
H. H. the Maharaja of

To

_____ Esq.,
Secretary to the Govt. of Mysore,

Dated

Despatched

Received

No.

Subject-matter

divided into 11 Divisions for purposes of Cess collection and each division is in charge of a Cess Collector. Out of the 11 Cess Collectors one named Subba Rao of Division V who was recently appointed has furnished a cash security for Rs 50/- only. The other ten Cess Collectors have furnished no security whatever. Pending the issue of orders on other points, I would suggest that the President be asked at once to take such steps as will ensure that no one who has not deposited adequate security should have anything to do with collection or handling of cash.

(2) It has been observed in several instances that the details in the lists of Remittance Registers work up to a certain sum but only a smaller sum is entered at the foot of the lists as the total and made over to the Shroff These are instances of defalcation by entering incorrect totals.

Instances Page 19 and the following page of Division IV Remittance Register commencing from July 1907. Correct total Rs.7/7- Total entered and accounted for Rs 6/6- Two other instances occur in pages 30 and 56 of these Register

Division V Remittance Register commencing from January 1908 (not passed) Amount credited on 9th December 1908 Rs 9-8-6 Correct total Rs 9-17-6 Two other instances in the same Register are remittances made on 24th July 190 and 8th June 1909

(3) In numerous instances the amounts as per counterfoils of receipts in Receipt Books do not agree with the corresponding entries in the Remittance Register, the former showing a larger amount than the amount entered the Remittance Register These are instances of defalcation by misposting

Instances -

(a) Book , Division IV current year, Bill No 2 Realised Rs 9-9-0 credited 0-6-0

(b) XII, Division IV 1908-1909.

[illegible]

(৩) [illegible]

[illegible]

[illegible]

[

(10) There is no consolidated cash book to show the realizations of each day.

(11) There are no indications whatever of the Registers having been checked or inspected by anybody.

(12) It is alleged that signed receipts are delivered to parties before actual realization is made and this is the explaration given for instances of receipts being wanting in the counterfoil books without corresponding credit In such cases, unless it can be proved to the contrary, a receipt wanting must be presumed to impl collection The latter is strongly suspicious.

(13) In testing the accounts of Division IV it was found out on 21st August 1909 that one Hanu Sarma collected Rs 27-15-6 in March and April 1908 but did not remit the amount The amount was remitted after the Auditor objected the omission This is a clear case of defalcation

(14) In testing the accounts of the same Division it was found out on 24th August 1909 that one Gunpal Singh, the predecessor of Haruma Sharma, defalcated Rs 8/8- collected by him before March 1908. The amount is now out to be remitted to Treasury now This is also a clear case of defalcation

(15) Prior to December 1907 it was the practice on the part of Cess Collectors to pay their collections to the Cess Clerk who maintained a Pass-book for amounts made over by him to the Sheriff for remittance to the Treasury The Pass-Book was obtained on 19th August 1909 from the Cess Clerk and from cursory examination it was found out that he did not remit to the Treasury all the collections received by him from the Cess Collectors The man admitted having embezzled Rs.237-5-0 but the amount is probably much greater This is a third clear case of defalcation detected in the course of the preliminary examination of accounts under report.

3 It will be clear from what has been stated a

above that a test audit, to study the system only, will not meet the requirements of the case and that a thorough and searching examination of the accounts from at least 1905-1906 onwards is absolutely necessary Audit, in the strict sense of the term, is indeed impossible in a case like t is, for audit supposes the maintenance of accounts under some system whereas in this case there are hardly any reliable materials for an audit A detailed examination of the accounts is however necessary to bring to light, as far as possible, what has taken place in the past and to furnish a starting point for a new system of accounts and control I accordingly su gest that Government may be pleased to order such ~~are~~ an audit and that a staff of two hands one on Rs.50/- and another on Rs.30/- for a period of 6 months be sanctioned for the present to work under the supervision of the Assistant Comptroller to be placed in charge of the audit. The cost of the Establishment will of course be borne by the Municipality.

4 Later on, it may be necessary to place a wholetime Gazetted Officer of the Accounts Department on deputation for some time to draw up and start the new system. But a more economical and in my opinion extremely satisfactory arrangement will be to place an officer of the Accounts Department on special duty as Vice-President for a term of two or three years. The Gazetted Staff at my disposal however is quite inadequate for the manifold requirements of the State and I am afraid I have lately been compelled to over work most of my Gazetted Assistants for securing even a moderate progress on the important and pressing work remaining to be done on all directions If therefore Government desire me to devote a whole-time Gazetted Officer even temporarily for the purpose, I shall be glad to do so only if a suitable Assistant Comptroller is posted to my office to take the place of the deputed Officer.

4 In the meantime I would request that orders may issue at once for taking proper security from the employees entrusted with the collection of cash as suggested in para (2)(1) above and

and for the person responsible for the three fresh embezzlements referred to above being proceeded with according to law.

I have the honor to be,

Sir,

Your most obedient servant,

J S Chakravarti

Comptroller

Gen.S 28]

File No. 60-09
Serial No. 2

Diary No of letter replied to 6555

Proceedings of the Government of His Highness the Maharaja of Mysore

GENERAL AND REVENUE SECRETARIAT
(Jud.)

Dated the 6. 9. 1909

Date of issue 9.9.09

Signed by

READ.— Letter no. 1225 dated the 30th August 1909 from the Comptroller to the Govt of H.H. the Maharaja of Mysore, bringing to the notice of Govt certain serious defal-

ORDER— No.

cations that came to light in the course of the examination of some of the Registers in the Civil Debt. of the Bangalore City Municipality, con-ducted under instructions

ORDER— Considered

SUBJECT

9.9.09

MGCPB—30,000—24-8-05

in Govt 7620-1
file 164-00-5
letter to 9th February 1909
re suggesting Certain
measures as being unnecessary
necessary

—

Public Library 2332-3
file 80-09-12 999 08

A Copy of the
Collector's letter read while
in forwarded to the President,
therefore City Municipal
Council, for taking suitable
& like necessary action as
regards the
suggestions herein
contained in the last para
of the letter for record.
2. Govt. considers that
a thorough and searching
examination of the
Bangalore City Municipal
Accounts commencing
from the year subsequent
to the period covered by
the

Audit

Mb 80-09.

(2)

G.R S 27]

GENERAL AND REVENUE SECRETARIAT

(Continuation Sheet in this form

4

ie from the year 1902-[redacted]3 is necessary with a view find out, as far as possible how much if any Municipal money has been actually misappropriated since then, who are responsible for the same and in what sums, and what measures are necessary to set right accounts. The Comptroller is requested to proceed with the work at once.

3) The establishment allowed for by the Comptroller for the aforesaid work [redacted] Rs 80/- a month as detailed in the margin for a period of six months is sanctioned. The President will submit a reappropriation statement in due course providing for the charge out of the sanctioned grants for the current year Budgets of the City Municipal

@ 50/-
do — @ 30/-

7/9/09

Yours

Secy

MGCB—30,000—3-10

4, The

26] Rel 16-9-09

10

File No
Serial No. 9

Diary No of letter replied to 1555

No 2727
Rel 80-09
dt 16.9.09

General and Revenue Secretariat
(Municpl)
, the 190

To The Secy, Bangalore City Municpl Council

Sir,

Date of issue 16.9.09

Signed by WRKM

In contn of Go. No. 2332-3/ Rel 80-09-28 9-9-09 ~~sanctioning~~ an establishment costing Rs ~~per~~ annum for a period of ~~6 months~~ for auditing the accounts of the Bangalore City Municpty, I am directed to state that there has been no end to the sanctioning of such extra charges from the Funds of the ~~Bangalore City Municpty~~ and that most of the defects noticed in the Test audit Report belong to the period of the tenure of office of the present executive and to request you to be so good as to state what explanation

(having a thorough searching examination of)

(to enquire where such extra to avoid ~~Jam~~)

SUBJECT

B M 108]

OFFICE OF THE MUNICIPAL ~~COMMISSION~~ Council,

City, Bangalore, 27 September 1909
28

No 69

Enclosure 4.

Jul 80—09
8 C 4

From

THE PRESIDENT,

Municipal ~~Commission~~ Council,

Bangalore City

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
General & Revenue Departments, Bangalore.

SIR

With reference to your letter No. 2727/M1 80-09 dated the 16th Instant, calling for my explanation and that of the Vice President anent certain defects noticed in the Test Audit Report on the Cess Accounts of the City Municipality, Bangalore, I have the honour to state as follows -

In order to clearly understand how far the President or the Vice President is responsible for the defects referred to in the above, it seems necessary to describe briefly, for the information of Government, the system according to which the levy of Scavenging Cess is worked

The Scavenging Cess was introduced into the Municipality of Bangalore from the 1st October 1897 It was collected during the first three years and nine months by the Conservancy Department. In March 1901, the then Health Officer Mr Palpu got the work transferred to the Collector of Municipal Taxes, and again, in June 1903, he got it re-transferred to the Conservancy Department The latter system continues to this day.

The

The City is divided into 11 Divisions for the purpose of Cess collection with a Cess Collector on ₹6 to 8 in charge of each Division Above them there is a Sub-Overseer for each Division He gets ₹9 to 25. Over these, there are 4 Circle Sanitary Inspectors on pay ranging from ₹30 to 60. All these are under the immediate orders of the Health Officer who is in charge of the Conservancy Department (Vide ~~xxxxxxxxx~~ letter No. 328 dated the 6th February 1905, Government Orders Nos. 8014-15/M1 418-04-2 dated 8th March 1905 & 9109-10/M1 418-04-4 dated 1st April 1905-Copies of which are enclosed for ready reference).

I took charge of the District in March 1908 It is no exaggeration to say that the general unsatisfactory state of affairs of the Bangalore City Municipality did not fail to receive my attention Just when I was thinking of consulting the Council as to what remedial measures should be taken to improve matters, a heavy case of defalcation came to light. This necessitated my going through the accounts personally On examination, it was found that the accounts of all Branches of the Municipality were in a chaos and required thorough over-hauling With a view to bring the matter to the notice of Government, the subject was first discussed in the Council in September 1908 and the Board resolved"that with a view to having a thorough over-hauling of the Municipal accounts, Government be moved for having the old Municipal accounts audited by a responsible Officer of the Comptroller's Office, that the auditing work be done invariably once a year by an Officer of the Comptroller office and that the Municipality will bear the cost"

The services of two competent auditors were accordingly applied for and obtained to audit the accounts (Vide my letter No 155 dated 17-12-1908 and

Government order No 7620-1/Ml.164-08-5 dated the 9th February 1909).

Even before Mr.T.Lakshminarasimha Rao was deputed by the Comptroller to examine the accounts as directed in Government Order No 10201-2/Ml 164-08-10 dated the 16th April 1909, I noticed that the accounts in the conservancy Department were not properly maintained, which fact I have mentioned in my D.O. letter dated the 18th March 1909 to the address of the Assistant Secretary -- Mr K Mylar Rao. Not only did I notice the irregularities in the cess collection from time to time but the auditors (Municipal Councillors) have often been bringing to the notice of the Council the several irregularities in the collection of the cess and the repeated warnings given to the Health Officer at the monthly meetings to mend matters have, I regret to say , had no effect A Sub-Committee consisting of the Health Officer and Municipal Councillor Mr.D Venkataramayya was, however, formed as resolved by the Board during the discussion of the Draft Budget Estimate to investigate the Cess Accounts and submit a report (Vide explanatory note under the heading "Scavenging Cess" in the draft budget estimate for 1909-1910 submitted with my letter No 268 dated the 31st March 1909) A memo of defects drawn up by D Venkataramayya in May last was sent to the Health Officer for his remarks and his reply is awaited on receipt of which a -- separate report will be submitted to Government on this point

Thus, it will be seen that all that could possibly be done under the circumstances has been done to discover and rectify the several acts of omission and commission in the Municipality, and, I beg permission to add that the defects in the Cess Accounts under Notice

15

notice are the out-come of the audit which was ordered by Government primarily at my instance

As the Senior Vice President has no connection with the Cess collection, his explanation was not called for I have, however, requested the Health Officer who is in immediate executive charge of the Conservancy Department, to report what he has to say in respect of the defects noticed by the Comptroller and, on receipt of his explanation, shall submit the same to Government.

I have the honor to be

Sir,

Your most obedient servant

P R E S I D E N T,

City Municipal Council, Bangalore

16

Letter No.328 dated 8th February 1905, from the President, Municipal Commissioner, Bangalore City

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With reference to para 2 of this office letter No.276 dated 5th January last, I have the honor to submit herewith for information and orders of Government a copy of a Memo on the state of collection of the scavenging cess in the City and of the Board's resolution thereon together with my note on the subject.

2. From the enclosures it will be seen, what the progress in collection has been at different periods and how the collection now suffered through want of interest on the part of Mr Palpu This state of things would have continued sometime longer if I did not hold him responsible for the neglect

3. He now repudiates his responsibility in the matter - although he had ample time to get it made clear to him. As defined in para 2 of the Senior Surgeon's letter No.1950 dated 26th October 1900 to Government "supervision of conservancy and sanitation" is one of the duties of the Health Officer. The Health Officer as head of the Conservancy Department is in my opinion responsible for the collection of the scavenging cess.

4. Since Mr.Palpu now holds a different view I request clear orders of the Government on the subject

---

"Copy"

Note by Mr.A S.Nagarkar, President, on the scavenging cess in the City of Bangalore

---

ess in ection of ging cess introduced.

The levy of scavenging cess was introduced in the City from 1st October 1897 and one cess clerk and two cess collectors were appointed at the same time to assist in its collection The enclosed statement No 1 shows demand collection and balance of the cess for seven -- years ending June 1904. It shows that out of the total demand of Rs 18,486-3-5 a collection of Rs 5,867-9-11 A result which cannot be considered satisfactory

hod of ection.

2. For the first 3 years and 9 months the work of cess collection was carried on fairly well by the conservancy -- Department retarded by the plague Mr Palpu, came to the Municipality in March 1901 as Health Officer Two months after he succeeded in getting a most unwise and uncalled for change effected in the mode of collection by transferring it to the tax collector The step taken was unwise because the arrangement failed and uncalled for because it was not proved that the conservancy department failed to cope with the work In October 1902 Mr Palpu, was appointed Vice President, in addition to his duties as Health Officer Three months after when he saw that the change made 1 year and 9 months ago had failed and that the collection of the cess had fallen large

largely into arrears, he got the work retransferred to the conservancy department in ~~July~~ January 1903.

Insisting vigorous collection.

3. Soon after I took charge of the Municipality in May 1904, I overhauled the accounts of this source of income and found that the registers were not posted up to date and the supervision over the collection was slack. I got the books posted up to date and issued strict orders so that the collection of the arrears and the current demand may be carried out -- vigorously. When asked to explain why this work was neglected the Health Officer, reported on 24th May 1904 that he had nothing to do with it as Health Officer and that the Sanitary Inspector was attending to it. Even supposing this did not form part of Mr.Palpu's duty as Health Officer he has yet to explain why he failed to see to it as Vice President.

Want of cooperation.

4. In June last the old hobby appears to have again troubled Mr.Palpu, since in spite of past failure of the change he asked me to entrust the cess collection to the tax collector. I pointed out to him the impracticability of the measure and insisted that I was not just then for any change. This did not satisfy him as since then unfortunately for the cess -- collection, he himself and through his subordinates in their diaries, began making representations from time to time that it seriously interfered with the discharge(of the legatimate

legetimate duties) of the conservancy department. Although I have myself been watching the preparation of accounts and the collection of cess the result though fairly good, is not as good as might have been with the cooperation of the Health Officer.

ts of tion for half year.

5. From the experience of the past 8 months I am quite satisfied that the cess can be easily collected through the agency of the conservancy department which has every facility for doing the work. It will be seen from the enclosed statement No.2 that out of the demand of Rs 1,982/- for the six months ending December 1904, Rs.1,624/- were collected or nearly 82 per cent., Besides this Rs 860/- were collected on account of the arrears.

conservancy has facito collect cess.

6. The following are some of the reasons why the conservancy department has facility for the collection of the -- scavenging cess. (a) The cess is levied monthly in advance from the occupiers of only such houses as are conserved by the Municipal scavengers and for such periods as the scavengers are actually employed for conserving a particular house (b) It is the conservancy department that can know how lor a scavenger is employed for a particular house and what -- amount of cess is to be collected and thus prepare a bill (c) When the occupier of a house fails to pay the cess demanded of him, it is the conservancy department that stops

its and holes are by well built latrines which can

be conserved daily y conservancy lanes must be newly

opened out to tap fi back yards of houses and daily con-

servancy establishe

Copy"

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general notice and disturbant

the new collector, which must

apply. I have made no change

the case. It has been collect-

ing treasurers and have assisted

as far best, without neglect-

ing other more vigorous collection

the duties, Mr. Kelly, regardless

s letter and asked for resignation

I - Kelly.

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[illegible] seems to be irrecover-

is large portion of it will

[illegible] Every effo-

[illegible] of it is possible.

[illegible]

[illegible]

stops the scavenger from going to the house and then prosecutes the occupier under section 108 of the Municipal Regulations for not removing the night soil and filth after 24 hours

(d) This is a more effective method of collecting the cess and enforcing sanitation than by demand notice and distraint warrant through the agency of the tax collector, which must take a fortnight

ge in of collon since nce-

7 Since coming to the Municipality, I have made no change in the method of collection of the cess It is being collected as hitherto by the Conservancy Overseers and peons assisted by the cess collectors as suited them best, without neglecting their other work - when I insisted upon vigorous collection and demanded explanation for past failure, Mr Palpu, repudiated his responsibility in the matter and asked for additional establishment costing Rs 103/- morthly

ge arrears erable.

8. It is not possible to say just now how much of the large arrears of the cess will be ultimately found to be irrecoverable It is however feared that large portion of it will have to be eventually written off the accounts Every endeavour is being made to collect as much of it as possible

troduction scavenging pre- ture

9 I have no doubt it is proper to introduce a conservancy tax payable by the house owner since it can be easily collected in

collected through the tax collector. But unfortunately this cannot be done for some years to come until the innumerable pits and holes are replaced by well built latrines which can be conserved daily. Many conservancy lanes must be newly opened out to tap daily the back yards of houses and daily conservancy established.

"Copy"

President

Proceedings of the Government of His Highness
the Maharaja of Mysore

Read -

Letter No. G.613 dated the 23rd March 1905, from the Senior Surgeon and Sanitary Commissioner with the Government of Mysore, requesting to be informed with reference to para 2 of Government Proceedings No 8014-15/Ml (418-04)-2 dated the 8th March 1905 as to where it is laid down that collecting scavenging cess forms part of the Health Officer's duties

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Order thereon No 9109-10/Ml(418-04)-4, Dated Bangalore 1st April'05

It is observed that in the Senior Surgeon's letter No 1950 dated the 26th October 1900 "Supervision of conservancy and sanitation" has been mentioned to be one of the duties of the Health Officer The Health Officer being thus the head of the Conservancy Department and there being no scavenging tax properly so called leviable by the Revenue Department but only a cess which is levied monthly in advance from the occupiers of only such of the houses as are conserved by the Municipal scavengers who are under the control of the Health Officer, it is not understood how his responsibility in respect of its collection can be considered as undefined. No such doubts appear to have been entertained by the Health Department of the Civil and Military Station Municipality when it was collecting the cess prior to the introduction of the tax in July 1899

2. Nor can Mr Palpu plead ignorance of his responsibility in this respect His actions prove beyond doubt that he knew well that he was responsible for the collection of the cess, as, soonafter he was placed in charge of the Vice President's Office, he realized the necessity for re-transfering the collection work to the conservancy department, though he had seen his way about a year and a half before to get the work transferred to the collection Department

Sd/-H.Ramaiya,
for Secretary to Government

To

The Senior Surgeon and Sanitary Commissioner,
with the Government of Mysore
President, Municipal Commission, Bangalore City

"Copy"

President

N 1909-10 mwh 12/10/09

From The PRESIDENT, MUNICIPAL COUNCIL BANGALORE CITY.

D 2548

To The Secretary to the Govt of His Highness the Maharaja of Mysore Genl & Rev Depts, Bangalore

Dated 9 October 1909

Despatched //

Received

General No 813

No

Enclosure No One

Submitting, further report regarding the Cess Accounts of the Municipality

Office of the President,
Municipal Council,
Dated Bangalore, 9th October

No. 83 Encl: one

From

B.J.Kumaraswami Naik, Esq. B.A.,
President, Municipal Council,
Bangalore City

To

K.S.Chandrasekhara Aiyar, Esq., B.A., B.L ,
Secretary to the Government of His Highness
the Maharaja of Mysore, General and
Revenue Departments, Bangalore

ml 80-09
Sl-5

Sir,

As promised in para 9 of my letter No.69 dated the 8/9/09 28th September 1909, re certain defects noticed in the Test audit report of the cess accounts of the City Municipality, Bangalore, I have the honor to forward herewith copy of explanation received from the Health Officer in the matter and to state that it will be seen therefrom that he wishes to make out that the irregularities that have been brought to light and the general unsatisfactory manner in which the collection work is managed are mainly due to the inefficiency of the cess clerk I do not at all agree with the Health Officer in the matter The fault seems to lie partly to want of supervision on the part of the Sanitary Inspectors over the conservancy overseers and the cess-collectors It may also be stated that there would have been no room for any of the irregularities if the successive Health Officers had taken

Vb

taken sufficient interest in this part of their work

2 The question may naturally be asked how is it that the conservancy Department and not the collection Department of the Municipality is made responsible for the collection of the scavenging cess. The reason is not far to seek - considering the nature of the scavenging cess which is levied monthly in advance from the occupiers of only such of the houses as are conserved by the Municipal scavengers, it is considered expedient that the conservancy Department should be entrusted with the collection of the above cess So long as the scavenging cess is only a cess and not a tax its collection must remain with the conservancy department In this connection, I beg to be invite reference to paras 5 to 9 of Mr.Nagavakar's note submitted to Government with his letter No 328 dated 8th February 1895, wherein the reasons for entrusting the collection of the scavenging cess to the conservancy department are set forth in detail and also to Government Proceedings No 9109-10/M1(418-04)-4 dated 1st April 1905 fixing the responsibility on the Health Officer as regards the collection of the scavenging cess.

I have the honor to be

Sir,

Your most obedient servant

PRESIDENT

27

EXPLANATION

From a perusal of the Comptroller's letter to Government describing the defects noticed in the test audit of the cess account, it does not appear that, with the exception of one or two petty items of -- difference of a few annas in the amounts collected had remitted by certain cess collectors, any of such defects refers to the period of the tenure of office of the present Executive here To furnish an explanation in detail on those short-comings given, it is found difficult at present as all the books connected with the cess accounts have been made over to the auditor who seems to be busy in their thorough examination Speaking generally however the main cause of the several irregularities that have been brought to light till now is to be put down to the incompetency of the clerk given to this office for cess work, which fact the President is not personally unaware of, since he has had several opportunities of testing the individual during an examination of the cess accounts undertaken by him prior to the test audit under reference

Sd/-B Krishna Rao,
Healt Officer

"C O P Y"

PRESIDENT

26]

File No 80-09
Serial No. 6.

No of letter replied to 457

No 3648
ml 80-09-
dy 16 10 09

and Revenue Secretariat
(Municipal
. the 190

To
The President of the Bangalore
City Municipal Corporation

of issue 16 10 09.
Mr K.M

Sir,

With reference to your letter No 69 dated 27th Sept 1909, I am directed to request you to be so good as to submit at once the explanations of the Health Officers who seem to be primarily responsible for the irregularities in the collection of the Conservancy cess

I have etc
WDS
for Secy to Govt

over

SUBJECT

284/09

B M 108]

COUNCIL,

OFFICE F THE MUNICIPAL COMMISSION,

City Bangalore, 20th October 1909

No 89

Enclosure

From

THE PRESIDENT

Municipal ~~Commission~~, Council,

Bangalore City

To

The S[redacted]to the Government of
H[redacted] the Maharaja of Mysore,
[redacted]and Revenue Departments,
BANGALORE

Ref -Your letter No 3648/M1 80-09 dated the 16th Instant

ml 80-[redacted]
sl-7

I have the honour to state that the explanation of the Health Officer about the irregularities in the collection of Scavenging Cess was submitted with this Office letter No 83 dated the 10th Instant

I have the hon[redacted]

Sir,

Your most obedi[redacted] servant,

[redacted]

b v

For Pr[redacted]gent

Fin 98
09

File No.

Serial No. 8

30

No 3996
ml 80-09-8
9-8-11-09

20]

of letter ~~mailed~~ to 2398.

General and Revenue Secretariat
(Municipal)
, the 190

To The Pres^dt, Bangalore city
Municipal Council

Date of issue 8.11.09

Signed by MVK M

~~Has~~ letter No 8389-10 09
submitting further ~~the~~ report
regarding the Cess Collection
accounts of ~~the~~ Municipality

Referring to the above, has
the honor to observe that it
has not been reported as to
what action has been taken
with reference to para 1 of G.O
No 2332-38 9-9-09 in
regard to the individual cases of
misappropriation ~~reported~~ noted upon
by the Comptroller and to request
that the Pres^dt will be so

over

SUBJECT

Cl. 11

City Municipal Council,
Bangalore

From

B.J Kumaraswamy Naick Esqr ,B A ,

President City Municipal Council,

Bangalore.

To

C.S Balasundram Iyer Esqr , B A ,

Offg Secretary to the Government of His Highness
the Maharaja of Mysore, General & Rev Deptt Bangalore

Sir,

With reference to your docket No 3996/M1 [illegible]-8 dated 8th November 1909 enquiring what action has been taken with reference to para 1 of Government order No 2332--3 dated 9th ~~October~~ September 1909 in regard to the individual cases of misappropriation reported upon by the Comptroller, have the honor to state that the Superintendent of Police has been requested to arrange to prosecute criminally all the three persons referred to therein as guilty of embezzlement They have been placed under suspension, and the amounts alleged to have been misappropriated by the two cess collectors thereof Viz Hanumantna and Krupal Singh have also been duly recovered from them

I have the honor to be,

Sir,

Your most obedient servant,

President

File

G.R.S 28]

ab ✓ 33 File No 80-07.

Serial No 12

Diary No of letter replied to 4193

Proceedings of the Government of His Highness the Maharaja of Mysore

GENERAL AND REVENUE SECRETARIAT

(Munsiff's)

, the 190

Date of issue 10/10

Signed by MKM

READ — Correspondence ending with letter No. 2408/7-12-09 from the Pres.t, Bangalore City Munsiff Court, reporting with refer.ce to Govt. No. 2332-33 Jud 80-09 7-9-09 that the Sup.t of Police Bangalore, has been requested to arrange to prosecute criminally all 3 persons ORDER THEREON No who were reported upon by the Comptroller as having misappropriated municipal collections, that in the meanwhile they have been placed under suspension and that the amounts alleged to have been misappropriated by 2 of them viz Hanumantha & Krishnaiah Supdrs

SUBJECT

have been duly recovered from them

Orders thereon 5th Nov 1880 — 3 10 1 10

Recorded with the observation that the progress of the cases should be reported to Govt from time to time.

7/11/10

for Secy.
3/11/10

4/11/04

To

The Revd. Bangalore City Municipal Council.